

between two or more activities, may be established for proration purposes, provided the rates established are predicated upon the experience of the air carrier and are reviewed and modified as appropriate at least once each year.

#### TRANSPORT REVENUES

##### 01 Passenger.

(a) Record here revenue from the transportation of passengers by air, including infants transported at reduced fares, berth charges, surcharges for premium services and other similar charges. Revenue from airline employees, officers and directors, or other persons, except for ministers of religion, who are traveling under reduced-rate transportation authorized by 49 U.S.C. 41511(a) and 14 CFR part 223, as well as revenue from travel agents, cargo agents and tour conductors traveling at reduced fares, and revenues from service charges for passengers traveling on a nonrevenue basis shall be recorded in objective account 19 Air Transport—Other.

(b) This account shall be subdivided as follows by all air carrier groups:

###### 01.1 Passenger—First Class.

Record here revenue from the air transportation of passengers moving at either standard fares or premium fares, or at reduced fares not predicated upon the use of aircraft space specifically separated from first class, and for whom standard or premium quality services are provided.

###### 01.2 Passenger—Coach.

Record here revenue from the air transportation of passengers moving at special fares reduced from the first class or premium fares which are predicated upon both the operation of specifically designated aircraft space and a reduction in the quality of service regularly and ordinarily provided.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-980, 42 FR 36, Jan. 3, 1977; 60 FR 66723, Dec. 26, 1995]

##### 05 Mail.

(a) Record here revenue from the transportation by air of both United States and foreign mail.

(b) Fines and penalties imposed by the United States Government and foreign governments in connection with the carriage of mail shall not be charged to this account but to profit and loss account 89.9 Other Miscellaneous Nonoperating Debits.

(c) This account shall be subdivided as follows by all air carrier groups:

###### 05.1 Priority.

Record here revenue from United States mail for which transportation by air is provided on a priority basis.

###### 05.2 Nonpriority.

Record here revenue from United States mail for which transportation by air is provided on a space available basis.

###### 05.3 Foreign.

Record here revenue from the transportation by air of mail other than United States mail.

[ER-980, 42 FR 36, Jan. 3, 1977, as amended by Amdt. 241-58, 54 FR 5595, Feb. 6, 1989]

##### 06 Property.

(a) Record here revenue from the transportation by air of property including excess passenger baggage.

(b) Revenues resulting from services incidental to the transportation services such as collection of shipper's interest insurance premiums and charges and fees for service such as pick-up and delivery, assembly and distribution, storage and handling, and C.O.D. collection shall not be credited to this account but to profit and loss account 17 Air Cargo Services.

(c) This account shall be subdivided as follows by all air carrier groups:

###### 06.1 Freight.

Record here revenue from the transportation by air of property other than passenger baggage.

###### 06.2 Excess Passenger Baggage.

Record here revenue from the transportation by air of passenger baggage in excess of fixed free allowance.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-1401, 50 FR 244, Jan. 3, 1985]

##### 07 Charter.

(a) Record here the revenue from nonscheduled air transport services (except as otherwise required by profit and loss Account 86 Income from Non-transport Ventures) where the party receiving the transportation obtains exclusive use of an aircraft at either published tariff or other contractual rates and the remuneration paid by the party receiving transportation accrues directly to, and the responsibility for providing transportation is that of, the accounting air carrier. This account shall also include revenues from air transport services other than inter-airport services, whether scheduled or

nonscheduled, where each passenger or shipment receiving transportation is individually documented and does not obtain exclusive use of an aircraft.

(b) This account shall not include revenues or fees received from other air carriers for flight facilities furnished or operated by the accounting air carrier where the remuneration paid by the party receiving transportation accrues directly to, and the responsibility for providing transportation is that of other air carriers. Such revenues and related expenses shall be included in profit and loss accounts 11, Rents; 13, Interchange Sales; or 18, Other Transport-Related Revenues and Expenses.

(c) This account shall be subdivided as follows by all air carrier groups:

**07.1 Passenger.**

Record here revenue from the transportation of passengers and their personal baggage.

**07.2 Property.**

Record here revenue from the transportation of property.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-980, 42 FR 37, Jan. 3, 1977; ER-1401, 50 FR 244, Jan. 3, 1985]

**TRANSPORT RELATED REVENUES AND EXPENSES**

**08 Public Service Revenues (Subsidy).**

Record here amounts of compensation received pursuant to the provisions of 49 U.S.C. 41733 under rates established by the Department of Transportation for the provision of essential air service to small communities.

[Amdt. 241-58, 54 FR 5595, Feb. 6, 1989, as amended at 60 FR 66723, Dec. 26, 1995]

**09 In-Flight Sales.**

(a) Record here revenues from and expenses related to transport-related services performed while in flight.

(b) This account shall be subdivided as follows by all air carrier groups:

- 09.1 Liquor and food—gross revenues.
- 09.2 Movies and stereo—gross revenues.
- 09.3 Other—gross revenues.
- 09.4 Liquor and food—depreciation expense.
- 09.5 Liquor and food—other expense.
- 09.6 Movies and stereo—depreciation expense.
- 09.7 Movies and stereo—other expense.
- 09.8 Other—depreciation expense.
- 09.9 Other—expense.

**10 Restaurant and Food Service (Ground).**

(a) Record here revenues from and expenses related to the operation of restaurants and similar facilities, and from sales of food. (See section 12-51.)

(b) This account shall be subdivided as follows by all air carrier groups.

- 10.1 Gross revenues.
- 10.2 Depreciation expense.
- 10.3 Other expense.

**11 Rents.**

(a) Record here revenues from and expenses related to property and equipment owned or leased which has been rented or subleased to others exclusive of associated companies. This account shall not include fees from the use by others of air carrier aircraft under aircraft interchange agreements.

(b) This account shall be subdivided as follows by all air carrier groups:

- 11.1 Gross Revenues.
- 11.2 Depreciation Expense.
- 11.3 Other Expenses.

**12 Limousine Service.**

(a) Record here revenues from and expenses related to the operation of passenger limousine surface transportation services.

(b) This account shall be subdivided as follows by all air carrier groups:

- 12.1 Gross Revenues.
- 12.2 Depreciation Expense.
- 12.3 Other Expenses.

**13 Interchange Sales.**

(a) Record here the revenues or fees from and the expenses related to services provided associated companies and other than associated companies by the air carrier under aircraft interchange agreements. This account shall be charged and the applicable operating expense objective accounts shall be credited, except as provided in operating expense objective account 77, Uncleared Expense Credits, with the expenses attaching to services provided all companies under aircraft interchange agreements.

(b) This account shall not include revenues or expenses related to air transportation services performed in the name of and for the account of the accounting air carrier. Such revenues